

# **LABOR COMPLIANCE PROGRAM**

## **(FOR PROJECTS FUNDED BY PROP 50 GRANTS)**

The newly enacted Senate Bill 278 (Labor Code Section 1771.8) requires that entities undertaking construction, and third-party entities collaborating in improvement projects adopt and enforce a Labor Compliance Program (LCP) when the public works project is financed in any part with funds from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Prop 50). The LCP is used to ensure that workers employed by contractors on these projects are paid according to minimum labor standards.

California Labor Code Section 1771.5(b) states that an LCP shall include, but not be limited to, the following requirements:

1. All bid invitations and public works contracts shall contain appropriate language concerning the requirements of this chapter.
2. A prejob conference shall be conducted with the contractor and subcontractors to discuss federal and state labor law requirements applicable to the contract.
3. Project contractors and subcontractors shall maintain and furnish, at a designated time, a certified copy of each weekly payroll containing a statement of compliance signed under penalty of perjury.
4. The awarding body shall review, and, if appropriate, audit payroll records to verify compliance with this chapter.
5. The awarding body shall withhold contract payments when payroll records are delinquent or inadequate.
6. The awarding body shall withhold contract payments equal to the amount of underpayment and applicable penalties when, after investigation, it is established that underpayment has occurred.

The Department of Industrial Relations (DIR) has developed a program guidebook to help interested parties earn LCP approval and included some sample LCPs, which may be modified by entities receiving Prop 50 grants. This information is on their website at <http://www.dir.ca.gov/lcp.asp#LCPlist>. A list of private entities that may be contracted with to provide LCP development and implementation services can also be found on this website. Please note, the Director of DIR must approve an LCP and has the authority to revoke approval of an LCP.

We encourage you to review these documents to understand the scope of these requirements and the format of previously approved programs. Please contact Scott Couch with the State Water Resources Control Board at 916-341-5658 or by e-mail at [scouch@swrcb.ca.gov](mailto:scouch@swrcb.ca.gov) if you have questions regarding these requirements.